

**To:** Mylott, Richard[Mylott.Richard@epa.gov]  
**From:** Morning Consult  
**Sent:** Fri 9/2/2016 11:59:07 AM  
**Subject:** Morning Consult Energy: Feds Move on Sage Grouse Protections; Oil Production Dwindles as Hermine Hits Florida

By Asha Glover

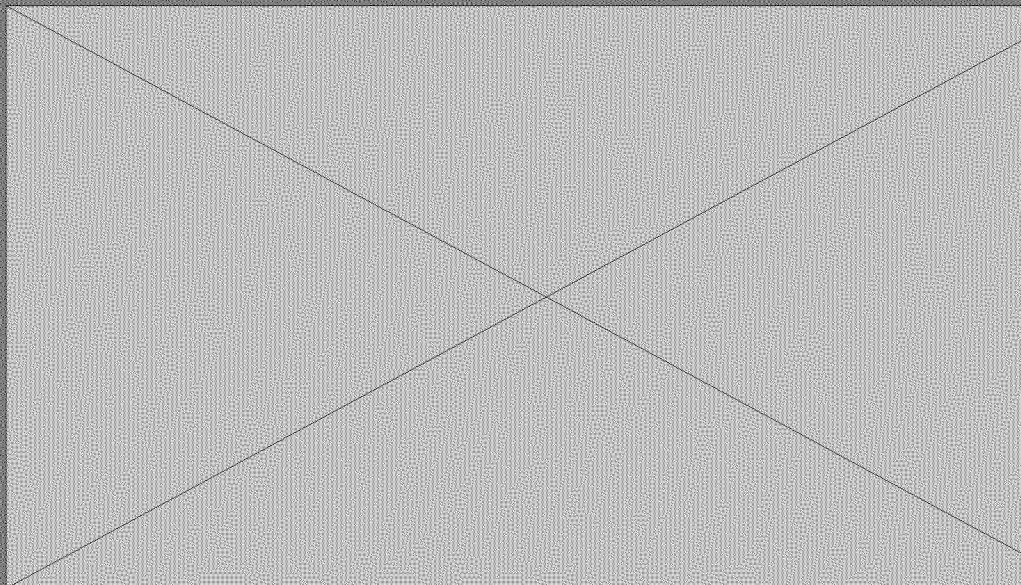
## Today's Washington Brief

- The Bureau of Land Management issued final guidelines to protect the greater sage grouse on public land in the West. The guidelines issue some restrictions on oil and gas drilling, livestock grazing and other activities on public lands and are designed to help keep the bird from being listed as an endangered or threatened species under the Endangered Species Act. ([The Associated Press](#))
- Senate Minority Leader Harry Reid (D-Nev.) said the Senate could consider the Water Resources Development Act soon because Majority Leader Mitch McConnell (R-Ky.) wants to bring it to the floor. The Senate's version of the water infrastructure bill includes funding to address lead pipes in Flint, Mich., and funding for a number of Army Corps of Engineers projects. ([Morning Consult](#))
- The White House on Thursday announced almost \$40 million for new programs to address climate change and advance clean-energy development in the Pacific Islands. The White House said \$15 million will go toward disaster risk reduction programs next year to help address the threat of climate change in the Pacific Islands. ([The Huffington Post](#))

## Today's Business Brief

- Fifteen percent of the crude production in the Gulf of Mexico has been shut down ahead of Tropical Storm Hermine. Workers have also been evacuated from 10 production platforms and one drilling rig. ([Houston Chronicle](#))
- In a deal reached between Gov. Jerry Brown (D) and leaders in the state Senate and Assembly, California will spend \$900 million of money raised

## Today's Chart Review



## Mark Your Calendars (All Times Eastern)

### Friday

No events scheduled

## General

Federal land managers issued guidelines Thursday for restricting oil and gas

drilling, livestock grazing and other activities on public land in the West to protect the greater sage grouse. The Bureau of Land Management guidelines tell field employees when and how to apply new rules under a sweeping conservation plan announced last year.

Florida has had a remarkable run of gambler's luck over the past decade. It's been that long since a hurricane struck the state that usually gets them every two years. Since Hurricane Wilma made landfall at Cape Romano near the pointy end of the state in 2005, about 20 hurricanes have formed in the Atlantic Ocean and hit other states, and more than 60 wobbled off to deep waters without harming the U.S. coast.

The Environmental Protection Agency was busy during the summer congressional recess ramping up a new multimillion dollar source of funding that the GOP helped approve. The agency on Thursday listed a set of "milestones" in implementing the landmark chemical safety law that was signed by President Obama in late June.

Treasuries fell and the dollar advanced in the countdown to a key U.S. jobs report that's seen shaping expectations for the timing of the next interest-rate increase. Oil rose as Russia said it will seek a deal with major producers to freeze output.

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## Oil & Natural Gas

Offshore safety officials say oil companies have shut in more than 15 percent of the crude production in the Gulf of Mexico and have evacuated workers from 10 production platforms and one drilling rig in the region as Tropical Storm Hermine approaches. That's more than 242,000 barrels a

day of oil production. In recent days, Gulf drillers have also shut in 307 million cubic feet a day of natural gas production, about 9 percent of the gas output in the region, the Bureau of Safety and Environmental Enforcement said Thursday.

Tribes from across Washington and the Northwest have journeyed to remote Cannon Ball, N.D., to join the Standing Rock Sioux Tribe in a peaceful occupation of ancestral lands where the tribe seeks an injunction to stop construction of an oil pipeline until its waters and cultural resources are protected. At least eight tribes from Washington state - some have been through or are still engaged in similar battles of their own to block fossil-fuel projects on their own ancestral lands - have traveled to join the occupation.

Protests against a \$3.8 billion oil pipeline under construction in four states that is opposed by groups of Native Americans, landowners and environmentalists flared up Wednesday as police in Iowa and North Dakota arrested protesters for blocking access to one site and chaining themselves to heavy equipment at another. The Dakota Access pipeline would carry crude oil more than 1,100 miles from North Dakota's Bakken Shale formation to Illinois. It is scheduled to be completed by the end of the year.

A team of former Wall Street oil traders have won a partial victory in their continuing legal dispute with oil major BP PLC over how to properly run a remote eastern Canadian refinery, according to court documents filed Thursday. The legal fight, first reported by Reuters in March, stems from allegations leveled by BP that equity-backed NARL Refining violated its crude and product supply agreement when the refiner failed to maximize yields at the 115,000 barrel-per-day refinery in Come by Chance, Newfoundland.

Natural gas prices took some of their largest losses of the past month on

Thursday after data showed a storage addition last week far beyond expectations. The U.S. Energy Information Administration said natural-gas stockpiles grew by 51 billion cubic feet last week, compared to the 43 bcf expected by forecasters surveyed by The Wall Street Journal.

Houston-based Baker Hughes is cutting employee pay for many U.S. workers by 5 percent through a new furlough program to reduce costs and lessen the need for additional job reductions. The pay cuts, which Baker Hughes described as temporary, will stretch from the pay period beginning Sept. 11 through the final paycheck of the year.

U.S. oil and gas production continued to slide this summer, according to the Energy Department. American drillers recovered 8.7 million barrels per day of crude in June, according to department's latest data.

Oil prices fell more than 3 percent on Thursday, heading for their sharpest weekly slide since January as investors brushed aside talk that OPEC might freeze production and focused on a growing glut from U.S. crude stockpiles. Energy monitoring service Genscape's report of a 714,282-barrel drawdown at the Cushing, Oklahoma, delivery point for U.S. crude futures during the week ended on Aug. 30 did little to bolster sentiment, traders who saw the report said.

## Utilities & Infrastructure

Senate Minority Leader Harry Reid (D-Nev.) said Thursday it's his understanding that Majority Leader Mitch McConnell (R-Ky.) wants the Senate to consider water resources legislation that includes funding to address the water crisis in Flint, Mich. The Senate is poised to reconvene after a long summer recess next week.

Houston-based Calpine Corp. (NYSE: CPN) will sell a power plant in Minnesota to a subsidiary of Atlanta-based Southern Co. (NYSE: SO) for \$395.5 million, plus working capital and other customary purchase price adjustments. The deal is expected to close in the fourth quarter. Calpine plans to use the proceeds to pay down debt and for other corporate purposes.

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## Renewables

A proposed high-voltage line meant to move power from Great Plains wind farms west of here into Chicago and points east has hit a major roadblock in the form of a court decision overturning state approval of it. But the developers, along with the Illinois Commerce Commission, aren't giving up. They promise to appeal the Illinois Appeals Court ruling to the Illinois Supreme Court.

San Antonio Federal Credit Union has become the latest local business to install rooftop solar, but it went even one step further than most other companies. With the stated goal of having a zero carbon footprint, SACU has installed 261 kilowatts of solar power across almost its entire chain.

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## Coal

Two Western Slope coal-fired power plants will shut down as part of a larger plan to reduce haze and improve air quality in Colorado, parties in the deal announced Thursday. Tri-State Generation and Transmission

Association, a cooperative based in Westminster, will retire the 100-megawatt, coal-fired Nucla Station in western Montrose County by the end of 2022.

Every year the King Coal parade winds through the center of Carmichaels. Hundreds of people line up to see the fire engines, classic cars, floats, and marching bands. It's fair to say the presidential race has people pretty fired up -and worried- in this small town in Greene County, about an hour's drive south of Pittsburgh.

## Nuclear

Nuclear power plant outages spiked between June and August of this year compared to the same time period last year, according to data released Thursday by the Energy Information Administration. Outages at nuclear power plants were 51 percent higher this summer than in summer 2015, with outages reaching their highest point in June, according to the EIA.

Authorities are investigating a fire that broke out at a nuclear power plant in Spring City. Local news outlets report that crews responded to the fire at Watts Bar Nuclear Plant Tuesday night and extinguished the blaze in about an hour.

## Climate

President Barack Obama on Thursday will announce \$40 million in programs to help island nations and other communities vulnerable to climate

change. Obama addressed the Pacific Island Conference of Leaders and the World Conservation Congress in Honolulu on Wednesday night.

California will spend \$900 million in revenues raised by its cap-and-trade program for carbon emissions and hold back \$462 million for later under a deal reached yesterday by Gov. Jerry Brown (D) and Senate and Assembly leaders. Funds will go to local transit and rail; rebates for electric and other clean cars; efforts attacking short-lived climate pollutants; paying for solar, insulation and other energy upgrades on homes of low-income residents; and adding green spaces to low-income neighborhoods.

President Obama visited a far-flung island in the Pacific Ocean on Thursday to warn of the dangers that climate change pose to marine wildlife and coastal communities. The president toured the Midway Atoll, a 2.4-square-mile island made of coral that he called "hallowed ground" because it was the site of the Battle of Midway in 1942.

President Obama is laying the groundwork for one more climate push during a final trip to Asia as president. During a Wednesday night speech in Hawaii, Obama said "climate will be a centerpiece of our agenda" at a Group of 20 Summit in China this week, where he will continue pushing for quick implementation of the international climate deal reached in Paris last year.

Pope Francis has called for urgent action to stop climate change and proposed that caring for the environment be added to traditional Christian works of mercy such as feeding the hungry and visiting the sick. In a message to mark the Catholic church's World Day of Prayer for the Care of Creation that he launched last year, Francis said the worst impact of global warming was being felt by those who were least responsible for it - refugees and the poor.

## Opinions, Editorials & Perspectives

To be sure, there's a lot less lead poisoning in today's America than there was back in what Trump supporters regard as the good old days. Indeed, some analysts believe that declining lead pollution has been an important factor in declining crime.

U.S. motorists used a record volume of gasoline in June as good weather and cheap fuel encouraged a strong start to the summer driving season. The volume of gasoline supplied to domestic consumers averaged 9.664 million barrels per day, an increase of 273,000 bpd compared with the same month in 2015.

## Research Reports, Issue Briefs & Case Studies

U.S. nuclear power plant outages have been higher this summer (June through August), averaging 4.3 gigawatts (GW), or 51% more than in 2015. Summer outages were at their highest in June, reaching 9.9 GW, or about 10% of total U.S. nuclear capacity, on June 17 and averaging 6.2 GW for the month.

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